

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7280

BILL NUMBER: HB 1543

NOTE PREPARED: Jan 12, 2007

BILL AMENDED:

SUBJECT: Truth in Sentencing.

FIRST AUTHOR: Rep. Goodin

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- A. It creates a Department of Correction credit Class IV for felons who are sex offenders or convicted of Class A or Class B felonies.
- B. It specifies that persons in credit Class IV earn one day of credit for each six days of incarceration.
- C. It provides that persons in credit Class IV may be placed in a credit class where they earn no credit, but may not be placed in a credit class where they earn more credit.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Summary* - Under current law, offenders are placed in one of three credit classes based on their conduct in the facilities where they are housed. Credit time refers to the number of days of incarceration that are removed from an offender's sentence for each day they are in the designated credit class.

<u>Credit Class</u>	<u>Credit Time</u>
Class I	One day credit time for each day in Class I
Class II	One day credit time for two days in Class II
Class III	No credit time

All offenders are initially placed in Credit Class I. They may be reassigned to Class II or III if they violate

any rule of the penal facility, the Department of Correction (DOC), or the community transition program.

As proposed, a new credit category, Class IV, would be established for offenders who have been convicted and sentenced for certain crimes. These offenders would serve six days in a DOC facility before they are permitted to receive any credit time.

The following chart represents the additional offenders that will be added and the additional prison cells that will be needed each year beginning in 2008 through 2060. Beginning in FY 2008, Class D felony offenders would remain in DOC for an additional 6 months, increasing the need for new beds by 56. In order to accommodate these offenders, facilities would need to be constructed to house 56 new beds. For purposes of this analysis, it is assumed that all construction costs would be paid in the year that the new beds are added so that no costs of debt would be incurred. In 2010 and 2011, as Class C felons remain in DOC facilities for an additional 1.3 years, the accumulated offender population would grow to 300 in 2010 and 373 in 2011. Class B felony offenders would begin their added period of incarceration in 2012 and stay for an additional 2.7 years. By 2014, 6,534 additional offenders would be in DOC facilities. Class A felons sentenced in 2007 would begin their added period of incarceration in 2021 and not be released until 2030. The added population from the extended stay of the Class A offenders would increase the new offender population to 9,914 by 2030. Finally, offenders sentenced for murder would begin their extended stay in 2042 and not be released until 2065.

Projected Number of Beds Needed and Added Operating Costs (in \$ Millions)												
Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2021	2030	2042	2050	2060
New Offenders	56	56	300	373	2,655	4,937	6,534	6,872	9,914	9,972	10,436	11,016
New Operating Costs (1)	\$16.3	\$1.3	\$6.8	\$8.5	\$60.4	\$112.3	\$148.6	\$156.3	\$225.5	\$226.8	\$237.4	\$250.5
New Beds Needed	717	0	244	73	2,282	2,282	1,597	338	3,042	58	522	580
New Capital Costs (2)	\$35.9	\$0.0	\$12.2	\$3.7	\$114.1	\$114.1	\$79.9	\$16.9	\$152.1	\$2.9	\$26.1	\$29.0
Total Costs	\$52.2	\$1.3	\$19.0	\$12.1	\$174.5	\$226.4	\$228.5	\$173.2	\$377.6	\$229.7	\$263.5	\$259.8
(1) Based on FY 2006 Operating Costs of \$22,743 in Constant Dollars												
(2) Based on Average Cost of \$50,000 per Bed in Constant Dollars												

Projected Need for New Beds – The added population that the Department of Correction will need to accommodate will depend on at least two factors:

(1) The rate that offenders who are released from DOC are recommitted because of new crimes. This recidivism rate assumes that a percentage of offenders will return to the Department of Correction facilities because they committed a new crime or violated a technical condition of probation, parole, or some other type of community supervision. For this estimate, a 40% recidivism rate was used. This means that 40% of these offenders will likely return to DOC within their first year of release because they commit a new crime. Since these 40% are assumed to return to prison anyway, the new beds will be for the 60% of the offenders who would not otherwise be returning within one year.

(2) The additional length of time that offenders will be incarcerated in DOC facilities because offenders will spend 83% of their time incarcerated rather than 50%. The following table shows the year of earliest release for offenders who were committed during CY 2005, if they were to be released after spending 83% of their sentence incarcerated.

Felony Level	Offenders Committed Annually	Average Prison Term in Years	Year of Release If Offenders Are Sentenced in 2007			
			50% of Sentence Served		85% of Sentence Served	
			Years Spent in Prison Before Release	Earliest Year of Release	Years Spent in Prison Before Release	Earliest Year of Release
Murder	96	69	34.5	2042	57.5	2065
A	564	28	14	2021	23.3	2030
B	3,803	8	4	2011	6.7	2014
C	407	4	2	2009	3.3	2010
D	93	1.5	0.75	2008	1.3	2008

Effect on Earned Credit Time – Offenders who are not in Credit Class I may enroll in academic and vocational education programs. Offenders who are in Credit Class I and who earn GEDs, high school diplomas, college degrees, and or obtain certificates of completion of vocational programs are eligible for reductions in incarceration time. Consequently, this bill would reduce the number of offenders who would be eligible for earned credit time reduction.

Explanation of State Revenues:

Explanation of Local Expenditures: Depending on how quickly new facilities can be built for DOC offenders, DOC may need to contract with county sheriffs to house some of the offenders who do not require highly secure cells. Currently, county sheriffs are paid approximately \$35 per day per offender.

Explanation of Local Revenues:

State Agencies Affected: Department of Correction, Office of Attorney General.

Local Agencies Affected: County sheriffs.

Information Sources: Department of Correction Data Base; IC 35-50-6-3.3.

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